

Attorney or Party Name, Address, Telephone & FAX Nos., State Bar No. & Email Address Leonard M. Shulman - Bar No. 126349 Robert E. Huttenhoff – Bar No. 214447 SHULMAN HODGES & BASTIAN LLP 8105 Irvine Center Drive, Suite 600 Irvine, California 92618 Telephone: (949) 340-3400 Facsimile: (949) 340-3000 Email: lshulman@shblp.com; rhuttenhoff@shblp.com <input type="checkbox"/> Individual appearing without attorney <input checked="" type="checkbox"/> Attorney for: Howard M. Ehrenberg, Chapter 7 Trustee	FOR COURT USE ONLY
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**UNITED STATES BANKRUPTCY COURT
CENTRAL DISTRICT OF CALIFORNIA - LOS ANGELES DIVISION**

In re: NANCY DAVIS aka The Nancy Sue Davis Trust, Debtor(s).	CASE NO.: 2:11-bk-58593-BR CHAPTER: 7 <p style="text-align: center;">NOTICE OF SALE OF ESTATE PROPERTY</p>
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Bid Deadline: 8/27/2014 at 4:00 p.m.

Sale Date: Final Bidding Round: 9/3/2014 at 10:00 a.m. Hearing on Sale Motion: 9/3/2014 at 10:00 a.m.	Time:
Location: U.S. Bankruptcy Court, Courtroom 1668, 255 E. Temple St. Los Angeles, CA 90012	

Type of Sale: Public Private **Last date to file objections:** 08/20/2014

Description of property to be sold: (1) 12.5% interest in DTV, Inc. and (2) a 20% Capital Interest in
in DTV, LLC, (a 15% Profit Interest DTV, LLC.) See attached for more information.

Terms and conditions of sale: The Buyer's purchase price is \$15,000, subject to overbid.
The sale is being conducted on an AS IS - WHERE IS" basis subject to all to any and all liens and encumbrances that
exist against the Assets and/or subject to all the outstanding liabilities owed by the DTV, Inc., and/or DTV, LLC.
See attached for more information.

Proposed sale price: \$ 15,000.00

This form is mandatory. It has been approved for use in the United States Bankruptcy Court for the Central District of California.

Overbid procedure (if any): 1. The potential over bidders must bid an initial amount of at least \$20,000.
Minimum bid increments thereafter shall be \$5,000. 3. Overbids must be accompanied by a deposit of \$25,000.
Bidder must provide proof of funds and ability to close. SEE ATTACHED FOR MORE INFORMATION.

If property is to be sold free and clear of liens or other interests, list date, time and location of hearing:

September 3, 2014 at 10:00 a.m.

Courtroom 1668

U.S. Bankruptcy Court

255 East Temple Street

Los Angeles, CA 90012

Contact person for potential bidders (include name, address, telephone, fax and/or email address):

Robert E. Huttenhoff, Attorney for the Trustee

SHULMAN HODGES & BASTIAN LLP

8105 Irvine Center Drive, Suite 600, Irvine, CA 92618

Telephone: (949) 340-3400

Facsimile: (949) 340-3000

Email: rhuttenhoff@shbllp.com

Date: 08/05/2014

1 **In re Nancy Davis aka The Nancy Sue Davis Trust**

2 **Case No. 2:11-bk-58593-BR**

3 **Attachment to Notice of Sale of Estate Property:**

4 **I. INTRODUCTION**

5 Howard M. Ehrenberg, the Chapter 7 Trustee (“Trustee”) for the bankruptcy estate
6 (“Estate”) of Nancy Sue Davis aka the Nancy Sue David Trust (“Debtor”), is bringing a Motion
7 for Order: (1) Approving Transaction Outside the Ordinary Course of Business Pursuant to
8 Bankruptcy Code Section 363(b) (Authorizing the Trustee to Sign Documents and Take Actions
9 on behalf of the Nancy Sue Davis Trust); (2) Approving the Sale of Certain Estate Assets (Stock
10 and Membership Interests) Subject to Overbids; (3) Approving Bidding Procedures Utilized; (4)
11 Authorizing Payment of Compensation to Special Counsel, Shulman Hodges & Bastian LLP,
12 and (5) Granting Related Relief (“Sale Motion”).

13 The Trustee has received an offer from John A. Davis (“Buyer”) to purchase for \$15,000,
14 or an amount increased by successful overbid, the Estate’s interest in the following (collectively,
15 the “Assets” or the “DTV Interests”)¹:

- 16 1. DTV, Inc.: a 12.5% interest in DTV, Inc.
- 17 2. DTV, LLC: a 20% Capital Interest in DTV, LLC, (a 15% Profit Interest DTV,
18 LLC.

19 The Buyer is the Debtor’s brother and has advised the Trustee that he is also stockholder
20 of DTV, Inc., and membership owner of DTV, LLC.

21 The Assets are not encumbered. The Debtor has not claimed exemptions in the Estate’s
22 interests in the Assets. The sale is being conducted on an AS IS - WHERE IS” basis subject to
23 all to any and all liens and encumbrances that may exist against the Assets and claims and and/or
24 subject to all the outstanding liabilities owed by the DTV, Inc., and/or DTV, LLC (collectively
25 the “DTV Entities”) to their creditors.

26 The sale will be subject to the Bidding Procedures set forth below. The Trustee expects
27 to net \$15,000 cash for the benefit of the Estate and its creditors. In the event the purchase price

28 ¹ As set forth below, the Estate’s interests in the Assets is held by the *Nancy Sue Davis Trust (formerly known as Trustee Agreement of Nancy Davis Zarif and and Nancy Davis Zarif Trust) Under Restated Trustee Agreement Dated October 1, 1990.*

1 is increased by a successful overbid, the estimated proceeds will increase and provide greater
2 distribution to creditors. As such, the proposed sale is anticipated to provide for a distribution to
3 unsecured creditors.

4 Through this Sale Motion, the Trustee also requests authority pay compensation to his
5 special counsel, Shulman Hodges & Bastian LLP (“Special Counsel”) a contingency fee of
6 \$4,999.50 (33.33% of the gross recovery of \$15,000 under the proposed sale) and reimbursement
7 of expenses in the amount of \$640.58. In the event that the gross recovery on the proposed sale
8 is increased by successful overbid, the contingency fee for Special Counsel will be increased
9 accordingly.

10 In summary, the Trustee believes that good cause exists to grant the Sale Motion so the
11 Trustee does not lose this favorable business opportunity.

12 **II. FACTUAL BACKGROUND**

13 **A. Case Commencement**

14 On November 28, 2011 (“Petition Date”), the Debtor filed a voluntary petition under Chapter 7
15 of the Bankruptcy Code. Howard M. Ehrenberg is the duly appointed, qualified and acting
16 Chapter 7 trustee for the Debtor’s Estate.

17 **B. Claims in the Case**

18 The claims bar date for this case was June 18, 2012. As of July 22, 2014, the Court’s Claims
19 Register indicates that there have been five claims filed totaling \$3,799,983.61.

20 **C. The Assets to Be Sold and Basis for their Value**

21 Attached as **Exhibit 1** to the Declaration of Howard M. Ehrenberg annexed to the Sale
22 Motion (“Ehrenberg Declaration”) is a true and correct copy of the Debtor’s Amended
23 Bankruptcy Schedule B filed with the Bankruptcy Court on January 6, 2012 (docket 15). In her
24 Amended Schedule B the Debtor indicated that she owns a fractional interest in “WFXS-
25 Wassau” and valued the interest as “unknown”.

26 The Trustee is advised by the Buyer that “WFXS-Wausau” is referring to a television
27 station operating in Wisconsin (WFXS Fox 55) (“Station”). The Buyer has advised that Debtor’s
28 interest in the Station is held through her trust known as the *Nancy Sue Davis Trust (formerly*

1 known as Trustee Agreement of Nancy Davis Zarif and and Nancy Davis Zarif Trust) Under
2 Restated Trustee Agreement Dated October 1, 1990 (“ND Trust”) through fractional ownership
3 interests in DTV, Inc. and DTV, LLC as follows:

4 a. DTV, Inc.: The ND Trust own a 12.5% interest in DTV, Inc. In turn, DTV,
5 Inc. owns a 1% interest in DF Investment Corp. (Fox owns the other 99% of DF Investment
6 Corp.). DF Investment Corp. owns as 50.49% interest Davis Television Wausau, LLC, *which*
7 *operates the Station.*

8 b. DTV, LLC: The ND Trust owns a 20% Capital Interest in DTV, LLC, but
9 only a 15% Profit Interest DTV, LLC. In turn, DTV, LLC owns a 49.51% interest in the Station
10 along with DF Investments Corp., (referred to above) which owns the other 50.49% of the
11 Station. The 20% Capital Interest represents the obligations of the ND Trust to fund DTV, LLC at
12 20% of any future capital requested of DTV, LLC by the Station for operations, upgrades or
13 expansion. The 15% Profit Interest represents the share of any potential future dividends or final
14 distributions paid by DTV, LLC funded by the Station only after any and all debts are satisfied by
15 the Station and by DTV, LLC pursuant to the DTV, LLC Operating Agreement.

16 Taking into the account the information provided by the Buyer and the tax returns of
17 DTV Entities, valuing the Estate’s interests in the Assets is difficult. Specifically, the Debtor’s
18 federal tax returns reflect that the DTV Entities have negative capital accounts and that no
19 dividends have been paid to the interests holders for the past four years. This is supported by the
20 2010 through 2011 financial statements of the DTV Entities that have been provided to the
21 Trustee’s counsel. In addition to being the Debtor’s brother, the Buyer advised the Trustee that
22 he is a shareholder of DTV, Inc. and membership owner of DTV, LLC. The Buyer has further
23 advised that it appears that there will be no dividend to equity holders (i.e., the Estate) until the
24 capital accounts reaches zero, which looks to be a long way in the future. Although it appears
25 that the DTV Entities have little value, the Trustee is advised that the Buyer is purchasing the
26 Estate’s interests in the DTV Entities to ensure that the businesses remain closely held.

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1 **D. Marketing Efforts for the Assets**

2 Marketing of the Estate's fractional interests in the DTV Entities has been limited to
3 communications with the Buyer. The Trustee has have received no other inquiries or offers for
4 the purchase of the Estate's interests in the DTV Entities. Due to the character of the Assets
5 (fractional interests in closely held companies), the market for such assets is narrow. The
6 Trustee has determined the best way to proceed in the case to is sell the Assets is for cash to the
7 highest bidder. The Notice of this Sale Motion and the Bidding Procedures set forth below will
8 be noticed to all creditors.

9 **E. Liens and Encumbrances Against the Assets**

10 The Estate's interests in the DTV Entities are not encumbered. Nevertheless, out of an
11 abundance of caution, the sale is being conducted on an AS IS - WHERE IS" basis subject to all
12 to any and all liens and encumbrances that may exist against the DTV Interests and claims and
13 and/or subject to all the outstanding liabilities owed by the DTV Entities to their creditors.

14 The Debtor has not claimed exemptions in the Estate's interests in the DTV Entities.

15 **F. The Offer for the Purchase of the Assets and Summary of the Sale Terms.**

16 The Trustee received an offer from the Debtor's brother, John A. Davis ("Buyer") to
17 purchase the Assets. The Trustee is advised by the Buyer that he is stockholder of DTV, Inc. and
18 a membership owner of DTV, LLC. Attached as **Exhibit 2** to the Ehrenberg Declaration
19 annexed to the Sale Motion is a true and correct copy of the Purchase and Sale Agreement
20 ("Agreement") with the Buyer that the Trustee seeks Court approval for, subject to the Bidding
21 Procedures set forth below.

22 A summary of the Agreement's terms and highlights are discussed below, but the
23 summary and discussion are not meant to be a complete review of every provision of the
24 Agreement. The Agreement itself is the legally binding document the Trustee seeks approval of,
25 and in the event of any inconsistency between the terms, provisions or effect of the Agreement
26 and the description of it in these pleadings, the Agreement alone shall govern and not these
27 pleadings or the descriptions herein.

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1 In summary, the principal terms of the sale shall be as follows (the Trustee is referred to
2 at all times as the “Seller” in the following summary):

3		
4	Buyer:	John A. Davis whose address is:
5		c/o Timothy R. Pestotnik, Esq.,
6		Pestotnik & Gold LLP
7		501 West Broadway Suite 1850
8		San Diego, CA 92101
9	Purchase Price:	\$15,000 cash (or an amount as increased by a successful overbid.)
10	Escrow Holder	The Escrow Holder shall be the Trustee, Howard M. Ehrenberg, 333 South Hope Street, Thirty-Fifth Floor, Los Angeles, CA 90071.
11	Closing	The closing shall take place within fourteen (14) days after the 12 Bankruptcy Court enters an order approving the sale.
13	Limitations on Sale	Buyer agrees to purchase the Estate’s interests in the DTV Entities, on 14 an “AS IS - WHERE IS” basis without representations or 15 warranties of any kind, express or implied, being given by the 16 Trustee, concerning the value, condition or fitness of purpose for 17 any use thereof, subject to all to any and all liens and 18 encumbrances that may exist against the DTV Interests and claims 19 and and/or subject to all the outstanding liabilities owed by the 20 DTV Entities to their creditors. The Buyer, represents and warrant 21 that he is purchasing the Estate’s interests in the DTV Entities as a 22 result of his own investigations and is not buying the DTV Interests 23 pursuant to any representation made by the Trustee, or by any broker, 24 agent, accountant, attorney or employee acting at the direction, or on behalf of, the Trustee. The Buyer acknowledges that he has inspected the DTV Entities, and upon closing of the sale transaction, the Buyer forever waives, for himself, his heirs, successors and assigns, any and all claims of any kind against the Trustee, (in her capacity as the Bankruptcy Trustee and/or in her individual capacity); the Trustee’s attorneys, including the Shulman Hodges & Bastian LLP; the Estate; the Debtor; the Trustee’s agents or brokers, or attorney involved in this transaction; arising or which might arise in the future concerning the DTV Interests and the DTV Entities. The sale is as is where is with all faults and no reps and warranties.

<p>1 Liquidated Damages 2 to the Seller on the 3 Buyer's Default</p>	<p>In the event the transaction contemplated under this Agreement does not close by reason of the Buyer's breach or default, the Parties acknowledge that it would be difficult or impossible to quantify damages arising from the Buyer's breach or default. In such event, the Buyer and the Seller agree that the Seller surrenders Seller's right to any remedies or damages the Seller may have against the Buyer and instead shall retain as liquidated damages, the deposit made by the Buyer. Specifically, the Seller shall retain the Ten Thousand Dollars (\$10,000) of the Deposit. The Seller shall be entitled to the liquidated damages and released from his obligation to sell the Assets to the Buyer upon the failure of the Buyer to close the sale within the time parameters established herein, or upon the failure of the Buyer to perform any requirement established herein within the said time parameters.</p>
<p>9 Bankruptcy Court 10 Approval</p>	<p>The sale is expressly conditioned on approval of the United States Bankruptcy Court for the Central District of California, Los Angeles Division and entry of final order approving the Agreement.</p>
<p>11 Jurisdiction of the 12 Bankruptcy Court</p>	<p>Any and all disputes which involve in any manner the Estate or the Trustee, arising from the Agreement or relating in any manner to the DTV Interests, shall be resolved only in the United States Bankruptcy Court, Central District of California, Los Angeles division.</p>
<p>13 Sale Subject to 14 Overbidding</p>	<p>The sale of the Assets is subject to the Bidding Procedures described below.</p>
<p>15 Waiver of Rule 16 6004(h)</p>	<p>The Trustee requests that the Court waive the fourteen-day stay of the order approving the sale of the Assets under Federal Rules of Bankruptcy Procedure 6004(h).</p>

17
18 **G. Request for Order Authorizing the Trustee to Sign Documents and Take Actions on**
19 **Behalf of the ND Trust**

20 The actions to sell the DTV Interests held by the ND Trust is outside the ordinary course
21 of the Trustee's administration of the Estate. As such, and out of an abundance of caution, in
22 order to preserve the assets that are available to the Estate through the Estate's ownership interest
23 in the DTV Entities, in addition to seeking Court approval of the sale transaction, by the Sale
24 Motion the Trustee is requesting authority to sign any and all documents and take any and all
25 actions deemed necessary on behalf of the ND Trust to complete the sale transaction.

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1 **H. Notice of Bidding Procedures**

2 The Trustee has determined that it would benefit the Estate to permit all interested parties
3 to receive information and bid for the Assets instead of selling the Assets to the Buyer on an
4 exclusive basis. Accordingly, in order to obtain the highest and best offer for the benefit of the
5 creditors of this Estate, the Trustee is utilized and also seeks Court approval of the following
6 bidding procedures (“Bidding Procedures”):

7 a. The potential over bidders must bid an initial amount of at least \$5,000 over
8 the purchase price offered for the DTV Interests by the Buyer (for an initial overbid price of
\$20,000). Minimum bid increments thereafter shall be Five Thousand Dollars (\$5,000).

9 b. Overbids must be in writing and be received by the Trustee and the Trustee's
10 counsel, Shulman Hodges & Bastian LLP to the attention of Robert E. Huttenhoff, on or before
4:00 p.m. (California time) on the date which is **five business days prior to the hearing on Sale
Motion.**

11 c. Overbids must be accompanied by a deposit (“Overbid Deposit”) in the form
12 of certified funds in the amount of at least **\$25,000** payable to “*Howard M. Ehrenberg, Chapter
7 Trustee for the Bankruptcy Estate of Nancy Sue Davis.*”

13 d. The over bidder must also provide evidence satisfactory to the Trustee of
14 having sufficient specifically committed funds to complete the transaction or a lending
commitment for the bid amount and such other documentation relevant to the bidder’s ability to
15 qualify as the purchaser of the DTV Interests and ability to close the sale and immediately and
unconditionally pay the winning bid purchase price at closing.

16 e. The over bidder must seek to acquire the DTV Interests on terms and
17 conditions not less favorable to the Estate than the terms and conditions to which the Buyer has
agreed to purchase the DTV Interests, including but not limited to all bids shall be non-
contingent and closing on the transaction in the same time parameters as the Buyer. For the
18 purposes of bidding, all-cash consideration shall be required by the Trustee.

19 f. All competing bids must acknowledge that the bidder is purchasing the DTV
Interests from the Seller on an "AS IS - WHERE IS" basis without representations or warranties
of any kind, express or implied, being given by the Seller, concerning the value, condition or
20 fitness of purpose for any use thereof. The competing bid must represent and warrant that the
bidder is purchasing the DTV Interests as a result of its own investigations and is not buying the
21 DTV Interests pursuant to any representation made by any broker, agent, accountant, attorney or
employee acting at the direction or on behalf of the Seller. The competing bid must
22 acknowledge that the bidder has inspected the DTV Interests, and upon Bankruptcy Court
approval of the competing bid Agreement, the competing bidder forever waives, for itself, and its
23 successors and assigns, any and all claims against the Estate, Howard M. Ehrenberg, as the
Trustee of the Estate and in his individual capacity, and his attorneys, agents, and employees,
24 arising or which might otherwise arise in the future concerning the DTV Interests.

25 g. If overbids are received, the final bidding round for the DTV Interests shall be
held at the hearing on the Sale Motion in order to allow all potential bidders the opportunity to
26 overbid and purchase the DTV Interests. At the final bidding round to be conducted before the
Bankruptcy Court, the Trustee will seek entry of an order, inter alia, authorizing and approving
27 the sale of the DTV Interests to the bidder who the Trustee, in the exercise of his business
judgment, may determine to have made the highest and best offer to purchase the DTV Interests,
28 consistent with the Bidding Procedures (“Successful Bidder”). The hearing on the Sale Motion
may be adjourned or rescheduled without notice other than by an announcement of the adjourned
date at the hearing on the Sale Motion.

1 h. Notwithstanding anything in the Bidding Procedures to the contrary, if an
2 auction is conducted, the party with the second highest qualified bid at the auction, as determined
3 by the Trustee, in the exercise of his business judgment, shall be required to serve as a back-up
4 bidder ("First Back-Up Bidder"). The First Back-Up Bidder shall be required to keep its initial
5 bid (or if the First Back-Up Bidder submitted one or more overbids at the auction, its last overbid
6 without taking into account any bid of the Successful Bidder) ("First Back-Up Bid") open and
7 irrevocable until the earlier of 5:00 p.m. (California time) on the date that is thirty days after the
8 date of the hearing on the Sale Motion ("Outside Back-Up Date") or the closing of the
9 transaction with the Successful Bidder. Following the hearing on the Sale Motion, if the
10 Successful Bidder fails to consummate an approved transaction because of a breach or failure to
11 perform on the part of such Successful Bidder, the Trustee may designate the First Back-Up
12 Bidder to be the new successful bidder, and the Trustee will be authorized to consummate the
13 transaction with the First Back-Up Bidder without further order of the Bankruptcy Court. In
14 such case, the defaulting Successful Bidder's deposit shall be forfeited to the Trustee, and the
15 Trustee specifically reserves the right to seek all available damages from the defaulting
16 Successful Bidder.

9 i. In the event Successful Bidder fails to close on the sale of the DTV Interests
10 within the time parameters approved by the Bankruptcy Court, the Trustee shall retain the
11 Successful Bidder's Overbid Deposit and will be released from his obligation to sell the DTV
12 Interests to the Successful Bidder and the Trustee may then sell the DTV Interests to the first
13 back-up bidder approved by the Court at the hearing on the Sale Motion ("First Back-Up
14 Bidder").

12 j. In the event First Back-Up Bidder fails to close on the sale of the DTV
13 Interests within the time parameters approved by the Court, the Trustee shall retain the First
14 Back-Up Bidder's Overbid Deposit and will be released from his obligation to sell the DTV
15 Interests to the First Back-Up Bidder and the Trustee may then sell the DTV Interests to the
16 second back-up bidder approved by the Court at the hearing on the Sale Motion ("Second Back-
17 Up Bidder").

15 k. Also notwithstanding anything in the Bidding Procedures to the contrary, if an
16 auction is conducted, the party with the third highest qualified bid at the auction, as determined
17 by the Trustee, in the exercise of his business judgment, shall be required to serve as Second
18 Back-Up Bidder. The Second Back-Up Bidder shall be required to keep its initial bid (or if the
19 Second Back-Up Bidder submitted one or more overbids at the auction, its last overbid without
20 taking into account any bid of the Successful Bidder or the First Back-Up Bidder) ("Second
21 Back-Up Bid") open and irrevocable until the earlier of 5:00 p.m. (California time) on the date
22 that is sixty days after the date of the hearing on the Sale Motion ("Second Outside Back-Up
23 Date") or the closing of the transaction with the Successful Bidder or the First Back-Up
24 Bidder. Following the hearing on the Sale Motion, if the Successful Bidder and the First Back-
25 Up Bidder fail to consummate an approved transaction because of a breach or failure to perform
26 on the part of the Successful Bidder and the First Back-Up Bidder, the Trustee may designate the
27 Second Back-Up Bidder to be the new successful bidder, and the Trustee will be authorized to
28 consummate the transaction with the Second Back-Up Bidder without further order of the
Bankruptcy Court. In such case, the defaulting First Back-Up Bidder's deposit shall be forfeited
to the Trustee, and the Trustee specifically reserves the right to seek all available damages from
the defaulting First Back-Up Bidder, in addition to all remedies and deposits against the
Successful Bidder as provided in subparagraph (h) above.

25 l. For purposes of example only in regard to subparagraphs (h) and (i) above,
26 assume at the auction the Second Back-Up Bidder bids \$35,000, the First Back-Up Bidder bids
27 \$40,000, and the Successful Bidder then bids \$45,000, with the First Back-Up Bidder and the
28 Successful Bidder continuing to bids in exact \$5,000 increments until the Successful Bidder wins
the auction at \$100,000, the Successful Bidder will be required to close at \$100,000, the First
Back-Up Bidder will be required to keep its bid of \$40,000 open for thirty days after the hearing
on the Sale Motion, and the Second Back-Up Bidder will be required to keep its bid of \$35,000
open for sixty days after the hearing on the Sale Motion.

1 **I. Tax Consequences**

2 The Trustee has not yet had accountants fully evaluate any adverse tax consequences of
3 the sale but at this point, expects that any tax liability on the sale, if any, will be minimal. In the
4 event that there is any tax liability generated from the sale it is anticipated that such taxes will be
5 paid by the sale proceeds.

6 **J. Request for Authority to Pay Contingency Fee and Reimbursement of Expenses to**
7 **Special Counsel**

8 Pursuant to Court order entered on December 19, 2012 (“Employment Order”) (docket
9 73), the Trustee employed Special Counsel in this case on a contingency fee basis 33.33% of any
10 gross recovery, plus reimbursement of expenses. A true and correct copy of the Employment
11 Order is attached as **Exhibit 3** to the Declaration of Robert E. Huttenhoff annexed to the Sale
12 Motion (“Huttenhoff Declaration”). A true and correct copy of the underlying employment
13 application (“Employment Application”) (docket 65) is attached as **Exhibit 4** to the Huttenhoff
14 Declaration annexed to the Sale Motion.

15 Upon the closing of the sale transaction of the DTV Entities, the Trustee will be in
16 possession of \$15,000, or an amount as increased by successful overbid. As such, the Trustee
17 requests authority pay to his Special Counsel a contingency fee of \$4,999.50 (33.33% of the
18 gross recovery of \$15,000 under the proposed sale) and reimbursement of expenses in the
19 amount of \$640.58. In the event that the gross recovery on the proposed sale is increased by
20 successful overbid, the contingency fee for Special Counsel will be increased accordingly.

21 In the normal course of business, Special Counsel maintains records of the expenses
22 incurred on behalf of its clients. Special Counsel charges twenty cents per page for photocopies
23 and charges for postage when there are multiple envelopes mailed at one time. Records for
24 messenger services are kept as they are incurred and input on the computer system. Messenger
25 services are only used when it is crucial that document delivery be made immediately or by the
26 next day. Special Counsel charges fifty cents per page for facsimile transmissions and keeps a
27 daily log of the transmissions which is input on the computer system.

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1 Special Counsel has incurred expenses related to the services for which the firm has been
2 employed in this case. Special Counsel seeks reimbursement of its expenses in the total amount
3 of \$640.58. Attached as **Exhibit 5** to the Huttenhoff Declaration annexed to the Sale Motion is a
4 true and correct copy of the records for expenses incurred by Special Counsel during the period
5 of October 17, 2012 through July 31, 2014. A summary of the expenses requested is as follows:
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<u>Expense</u>	<u>Total</u>
Attorney and Messenger Service	\$16
Parking	\$40
Photocopy	\$356.60
Postage	\$152.48
Federal Express	\$36.62
PACER charges	\$38.88
Total Expenses:	\$640.58

16 The expenses incurred by Special Counsel were necessary and were incurred in
17 compliance with the Bankruptcy Code, the Federal Rules of Bankruptcy Procedure, the Local
18 Bankruptcy Rules and the requirements of the United States Trustee. Special Counsel believes
19 the request for reimbursement of expenses is reasonable.
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PROOF OF SERVICE OF DOCUMENT

I am over the age of 18 and not a party to this bankruptcy case or adversary proceeding. My business address is: **8105 Irvine Center Drive, Suite 600, Irvine, California 92618**

A true and correct copy of the foregoing document entitled (*specify*): **NOTICE OF SALE OF ESTATE PROPERTY** will be served or was served (a) on the judge in chambers in the form and manner required by LBR 5005-2(d); and (b) in the manner stated below:

1. **TO BE SERVED BY THE COURT VIA NOTICE OF ELECTRONIC FILING (NEF)**: Pursuant to controlling General Orders and LBR, the foregoing document will be served by the court via NEF and hyperlink to the document. On (*date*) **August 5, 2014**, I checked the CM/ECF docket for this bankruptcy case or adversary proceeding and determined that the following persons are on the Electronic Mail Notice List to receive NEF transmission at the email addresses stated below:

- Howard M Ehrenberg (TR) ehrenbergtrustee@sulmeyerlaw.com, ca25@ecfbis.com; C123@ecfbis.com; ehrenberg@ecf.inforuptcy.com Chapter 7 Trustee
- Stella A Havkin stella@havkinandshrago.com, havkinlaw@earthlink.net Attorney for Debtor
- Stella A Havkin stella@havkinandshrago.com, havkinlaw@earthlink.net Attorney for Debtor
- Robert E Huttenhoff rhuttenhoff@shbllp.com Attorney for Chapter 7 Trustee
- Robert E Huttenhoff rhuttenhoff@shbllp.com Attorney for Chapter 7 Trustee
- Iian Jablon ijablon@irell.com, jthacker@irell.com; twang@irell.com Attorney for Irell & Manella LLP
- Michael S Kogan mkogan@koganlawfirm.com Attorney for More You Know Holding Company LLC
- Leonard M Shulman lshulman@shbllp.com Attorney for Chapter 7 Trustee
- Leonard M Shulman lshulman@shbllp.com Attorney for Chapter 7 Trustee
- Lindsey L Smith lls@lnbyb.com Former Attorney for Debtor
- United States Trustee (LA) ustpregion16.la.ecf@usdoj.gov Office of United States Trustee

Service information continued on attached page

2. **SERVED BY UNITED STATES MAIL**:

On (*date*) **August 5, 2014**, I served the following persons and/or entities at the last known addresses in this bankruptcy case or adversary proceeding by placing a true and correct copy thereof in a sealed envelope in the United States mail, first class, postage prepaid, and addressed as follows. Listing the judge here constitutes a declaration that mailing to the judge will be completed no later than 24 hours after the document is filed.

Attorney for the Buyer

Timothy R. Pestotnik, Esq., Pestotnik & Gold LLP, 501 West Broadway Suite 1850, San Diego, CA 92101

Service information continued on attached page

3. **SERVED BY PERSONAL DELIVERY, OVERNIGHT MAIL, FACSIMILE TRANSMISSION OR EMAIL** (state method for each person or entity served): Pursuant to F.R.Civ.P. 5 and/or controlling LBR, on (*date*) **August 5, 2014**, I served the following persons and/or entities by personal delivery, overnight mail service, or (for those who consented in writing to such service method), by facsimile transmission and/or email as follows. Listing the judge here constitutes a declaration that personal delivery on, or overnight mail to, the judge will be completed no later than 24 hours after the document is filed.

Judge's Copy - Via Messenger:

Honorable Barry Russell, US Bankruptcy Court, 255 East Temple Street, Bin Outside Ste 1660, Los Angeles, CA 90012

Service information continued on attached page

I declare under penalty of perjury under the laws of the United States that the foregoing is true and correct.

August 5, 2014

Date

Lorre Clapp

Printed Name

/s/ Lorre Clapp

Signature

U.S. MAIL SERVICE LIST

Counsel for Potential Bidder

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AND NO FORWARDING

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